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*Deputy Executive Director*

## BAY AREA TOLL AUTHORITY (BATA) OVERSIGHT COMMITTEE

April 8, 2009  
MINUTES

### Attendance

BATA Oversight Committee Chair Bill Dodd, convened the meeting at 9:36 a.m. In addition to Chair Dodd, the following Committee members were in attendance: Dave Cortese, Federal Glover, Steve Kinsey, Bijan Sartipi, other Commissioners in attendance: Dean Chu, Dorene Giacopini, Scott Haggerty, Ann Halsted, Sue Lempert, Jake Mackenzie, Jon Rubin, Jim Sperring, Adrienne Tissier, Amy Worth, Ken Yeager, and Vice Chair Chris Daly.

### Consent Calendar

Five (5) items were unanimously approved on the Consent Calendar.

### Minutes of the March 4, 2009 meeting

Meeting minutes of the March 4, 2009 were approved.

### BATA Financial Statements – February 2009

The Committee received the February 2009 BATA Financial Statements.

### Purchase Order Amendment – Purchase of 25,000 FasTrak® Retail Toll Tags: Sirit Corporation

The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and issue a purchase order amendment with Sirit Corporation in an amount not to exceed \$523,359 to furnish 25,000 retail toll tags for the FasTrak® Retail Program.

### Contract Amendment - On-call Project Design Services - Violation Enforcement System Project Installation Inspection Services: PB Americas

The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and enter into a contract amendment with PB Americas in an amount not to exceed \$175,000 for construction inspection services.

### Contract Amendment – FasTrak® Strategic Plan Improvement Project - Phase II – URS Corporation

The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and enter into a contract amendment with URS Corporation in an amount not to exceed \$400,000 for infrastructure improvements to the toll plazas of the state-owned bridges.

Approval of Annual Information Statement and Authorization of up to \$1.2 Billion in New Toll Bridge Revenue Bonds. Resolution No. 85.

Mr. Brian Mayhew, BATA staff, requested the Committee to refer to the Authority, BATA Resolution No. 85, which authorizes the issuance of up to \$1.2 billion in new toll bridge project revenue bonds to be completed prior to December 2009 and authorizes the distribution of the 2009 BATA Information Statement, as well as Supplement Number 1 covering the initial 2009 toll revenue bond issuance. Mr. Mayhew provided an overview of BATA's financings to date and bond market conditions. The proposed financing, as stated in BATA Resolution No. 85, establishes parameters for future 2009 bond offerings, which includes a principal size not to exceed \$1.2 billion, a fixed rate combination taxable and tax exempt, and a term not-to-exceed 40 years.

Bonds are to be issued prior to December 31, 2009. While the bonds will be issued in one or more series throughout the year, the authorization and parameters will not change. Resolution No. 85 marks the first time BATA staff has requested authority to issue taxable bonds. In response to this market access problem, the American Recovery and Reinvestment Act (ARRA) authorized government agencies to issue in the taxable market. The treasury department will rebate (pay) the issuing authority up to 35% of interest cost of the taxable bonds. In the current market, these taxable bonds may offer some advantages, including broader access to investors, as well as below market financing.

Staff is further proposing to streamline the bond issuance process as well as to improve focus on the disclosure document. The preparation of all the documents usually takes months and involves review of information that may not have changed materially since the previous financing. While the Authority's responsibility should focus on the disclosure and financing parameters being approved, it is difficult to focus given the myriad of technical financing documents to sort out. By reducing the number of documents involved we would have a more focused approval process and efficient access to the market without compromising any of the disclosure and financing parameters we ask the Authority to approve.

The Committee unanimously approved referring BATA Resolution No. 85, to the Authority for approval.

Regional Measure 1 (RM 1) and Toll Bridge Seismic Program (SRP) Monthly Progress Report

Mr. Bart Ney, Caltrans, informed the Committee that it was planned to close the San Francisco-Oakland Bay Bridge over Labor Day Weekend 2009 to complete the connection of the Yerba Buena Island (YBI) detour structure. The work will remove a portion of the double-decked structure of the existing bridge and roll-in a new connection to the detour structure. The work will allow for the demolition of the existing bridge and completion of transition structures to YBI to the new bridge. Caltrans and BATA are currently working on mitigations (e.g. added transit services on alternate routes, signage, media announcements, etc.) for the closures.

BATA Debt Policy. BATA Resolution No. 51, Revised

Mr. Mayhew requested that the Committee forward Resolution No. 51, Revised, to the Authority for approval. BATA adopted a debt policy in May 2004 that outlined debt and swap guidelines as proposed by Government Finance Officers Association (GFOA), Municipal Securities Rulemaking Board (MSRB), and nationally recognized rating agencies (Fitch, Moodys and Standard & Poors). It is proposed that the debt policy be revised to amend the counterparty credit rating requirements and clarify requirements for the re-assignment of counterparties. The Committee unanimously approved referring BATA Resolution No. 51, Revised to the Authority for approval.

San Francisco Oakland Bay Bridge West Span Bicycle, Pedestrian, & Maintenance Pathway Project Study Report Preparation – TY Lin International (\$1,300,000) and Allocation of Toll Bridge Rehabilitation Program. BATA Resolution No. 79, Revised

Mr. Peter Lee, BATA staff, requested the Committee to refer BATA Resolution No. 79, Revised, to the Authority to budget and allocate \$1.3 million in Toll Bridge Rehabilitation Program funds to the study and to authorize the Executive Director or his designee to negotiate and enter into a contract amendment with TY Lin International in an amount not to exceed \$1.3 million to complete a Project Study Report for a pedestrian and bicycle path across the western span of the San Francisco-Oakland Bay Bridge. In 2001, Caltrans and BATA completed a comprehensive feasibility study to add a pedestrian/bicycle/maintenance pathway to the west span of the San Francisco-Oakland Bay Bridge, which determined two feasible options to add a pathway along both sides of the west span. To initiate further development of the project, especially since some components of the earlier plan would need to be revised, staff is proposing to issue an on-call project design services task order to TY Lin International to develop a project study report to document a project scope, schedule, and estimated cost so that the project can be considered for inclusion in a future programming document.

The Committee unanimously approved referring BATA Resolution No. 79, Revised, to the Authority for approval, as requested.

Contract – Financial and Joint Advisors – Public Financial Management, Inc.

The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and enter into a contract with Public Financial Management in an amount not to exceed \$250,000 to provide financial advisory services to manage BATA's debt, investment and swap portfolios.

Change Order – FasTrak® Customer Service Center: ACS State and Local Solutions

Ms. Beth Zelinski, BATA staff, requested the Committee to authorize the Executive Director or his designee to negotiate and enter into a contract amendment with ACS State and Local Solutions (ACS) to operate the FasTrak® Regional Customer Service Center (CSC) for four additional years in an amount not to exceed \$68 million. The current contract with ACS expires in May 2009. The contract includes two two-year optional extensions. The CSC is responsible for day-to-day operations for all aspects of FasTrak customer account management and violation processing. Over the past five years, the CSC has gone through tremendous growth. The number of customer accounts increased by over 150% and FasTrak® usage on the state-owned bridges has grown from 30% to over 60% during peak periods.

Over the past several months, staff has had extensive negotiations with ACS on the contract extension proposal. The contract extension discussions included revised services for the CSC to increase system efficiencies, revisions to performance measures, and revisions to price structure to reduce overall cost of the system. Through the contract extension negotiations, staff has been able to significantly reduce the cost of the operations for the extension period. The average per account monthly cost for the 4 year extension period is \$1.37, which is \$0.26 (16%) less than current per account cost for the current contract. Over the 4 year life of the extension, it is estimated that BATA will save approximately \$12.8 million as compared to the terms of the current contract. The contract extension is recommended by the FasTrak® Management Group, which includes the Executive Director of BATA and the General Manager of the Golden Gate Bridge, Highway & Transportation District.

The Committee unanimously authorized the Executive Director to negotiate and enter into a contract amendment with ACS to operate the FasTrak® Regional CSC for four additional years in an amount not to exceed \$68.3 million.

Underwriting Commitment – KQED / Northern California Public Broadcasting, Inc.

Mr. Andrew Fremier, BATA staff, requested the Committee to authorize the Executive Director or his designee to negotiate and execute a \$500,000 underwriting commitment with KQED / Northern California Public Broadcasting Inc. to promote the Authority's public outreach and education mission, and to support the completion, broadcast and distribution of the documentary film "Saving the Bay" and various abridged versions of the film. This commitment would not involve a new allocation of funds. It would instead redirect funds from a previous \$3.5 million allocation for Bay Bridge East Span video documentation. The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and execute a \$500,000 underwriting commitment with KQED / Northern California Public Broadcasting Inc.

Other Business/Public Comment/Next Meeting/Adjournment

Jerry Grace spoke publicly on item 3, Resolution No. 85.

There being no further business or public comment, the meeting was adjourned at 11:07 a.m.